Another Member.—The present rules are quite reasonable and fair.

Another Member.—This subject was discussed once in the Assembly. It was also discussed in the Co-operative Conference and a resolution was moved to the effect that fees should not be levied on suits by Co-operative Societies. By levying the full fees, Government do not show any concession to the Co-operative movement. It is therefore requested that the rules for the refund of half the institution fee in cases disposed of without contest may be introduced as in Civil Court.

Mr. C. Subba Rao.—In uncontested cases, the Civil Courts refund half the institution fee and if no refund of institution fee is granted in Co-operative suits, no concession will have been shown in the interests of the Co-operative movement. It is therefore necessary to allow a refund in such cases.

Dewan.—We will order the refund accordingly.

SUBJECT NO. 197.

Funds of the District Boards should not be appropriated by Government without the consent of the Boards.

Messrs. C. Subba Rao, A. Ananthiah, Shimoga Taluk; C. Srinivasa Rao, Kadur District Board and B. N. Raghaviah, Shimoga Municipality.

Mr. C. Subba Rao.—Government assign certain revenues to the District Board in each year. Under the Local Self-Government Scheme, the whole responsibility for the expenditure and proper utilisation of this revenue is left to the District Board. Though this has been the rule, when the District Board sends its budget to Government, the Government change the figures under the several heads and insert higher figures and ask the Board to provide funds in accordance with the instructions issued by them. For instance, when the District Board of Shimoga sent their Budget this year, they proposed an allotment of Rs. 15,000 for educational buildings, but Government in sanctioning the budget peremptorily ordered them to pay Rs. 30,000 this year for this purpose. Again, Government have also inserted in the Budget an expenditure of Rs. 20,000 under the head, 'Railways'. Probably this must be for the Shimoga-Arasalu Railway. How can all this expenditure be met when the finances of the Board do not admit of it, but we are asked to carry out orders. All this has been done without consulting the District Board. The Local Self-Government Scheme has been introduced and the District Board has been given higher powers, but Government exercise those powers and do things without ascertaining Board's views and in certain cases, they ask the Board merely to carry out their orders implicitly. It does not seem to be open to Government to take away the revenues assigned to the Board without consulting it. If such action is taken by Government, the resolutions of the District Boards will have been ignored and the principles of Local Self-Government will have been upset. It is therefore requested that the funds of the District Boards should not be appropriated by Government without the consent of the Boards.

Another Member.—We did not provide any sum in the Kadur District Fund Budget for educational buildings but Government have ordered that we must pay Rs. 15,000 for such buildings.

Mr. S. Venkatesiah.—Government can assign revenues to the District Boards, but when once they are assigned, Government have got no right to take them away from the District Boards without their consent. The Local Boards Regulation and the Local Self-Government Scheme fully support this view.

First Member of Council.—Under Section 28 of the Local Boards Regulation, Government can do this.

Mr. S. Srikantiah.—It is not right that Government should give the amount in one hand and take it by the other without even consulting the Board. If we had refused to give the amount and if the Government had taken the action thereafter, their action would be reasonable. But as matters stand, the action of the Government is far from satisfactory. If the District Board had used the money assigned to it for an unauthorised purpose, Government would have been justified in taking it away from it without its consent. But when there is no such misuse, the interference of Government is not justified.

Mr. B. Srinivasa Iyengar.—Government granted the Boards power to administer their funds and pass resolutions, but when the resolutions are submitted to Government, they are modified by them without consulting the Boards. Government assigned to the Boards the balance at the credit of the Local Funds General, but later on they issued a peremptory order and took away the whole amount given to the Boards. If the Boards had spent that amount, Government would not be able to take it away. This procedure is not conducive to the smooth and satisfactory working of the District Board administration. It curtails the powers and ties the hands of the District Boards. They are made mere puppets and there is no use in the existence of the District Boards and the introduction of the Local Self-Government Scheme. The District Boards are completly ignored and are asked to provide funds and do things beyond their capacity. They are asked to execute the orders of the Government, but these orders are issued without ascertaining the opinion and the views of the District Boards and their wishes in the matter.

Dewan.—There is a great deal of misconception in this case. When the Local Self-Government scheme was introduced six years ago, Government gave to the several District Boards a sum of about six lakhs of rupees then at the credit of the Local Funds General. That was not an unconditional grant. Additional responsibilities, additional functions, additional works had to be undertaken by the local bodies and the grant could be spent only when the local bodies undertook such functions and resposibilities. For the past six years nothing was done and no money was spent. According to the Education Memorandum, a sum of 11 lakhs of rupees was expected from the local resources such as mohatarfa, local fund general and education cess towards expenditure under education. The scheme of primary education contemplated in the Education Memorandum could be carried out only when this amount is realised. You say that Government have no right to take away the amount. You take all the primary education and work it out and we will give you the money back.

Mr. B. Srinivasa Iyengar.—The Chief point is that Government should consult the District Boards and if the Boards do not agree, Government may exercise their power finally under the certified regulations. The Board are not allowed to spend the money assigned to them.

Dewan.—I shall put it before you that all local resources will be placed at your disposal if the people should undertake the burden of all Local Self-Government activities. All expenditure connected with the Local Self-

Government activities and for some time to come, all expenditure connected with medical aid in rural parts, sanitation, veterinary, etc., should be met by local bodies entirely from local resources. But as the Local Self-Government has not been fully developed, the local bodies and the Government should join together in conducting these activities. There must be co-operation, and friendly interchange of ideas and authority. The cost of some activities must be met wholly from State funds, and some wholly from local funds, some partly from the State funds and partly from the local funds. That is the existing order. From the days of the Commission, many orders have been issued defining the relations existing between the Government and the local bodies. Local Self-Government has not yet been developed fully. We are now passing through a transition stage. There is a great demand for school buildings, and money has to be found for them from the accumulated balances of the Local Fund General which was not being utilised by the District Boards. Government have given money for education in the past and will give money in the future also. If you raise any objections on technical grounds, I am prepared to give you back the money but I shall then cut down expenditure in other directions in the districts. I want that Local Self-Government should be developed properly with the fullest sense of responsibility. Things are now in a state of flux. Certain Local Self-Government expenses have to be met by Government and certain expenses have to be shared by Government. All these matters will be fully gone into by Mr. Thyagaraja Iyer and the question of Local Finance will be definitely settled and clear rules laid down for adoption and there will be no confusion afterwards. But till matters are definitely settled, there is no use of standing on dignity. We will give you all the *gaurava* that you want.

SUBJECT No. 198.

The Representative Assembly and Constitutional Reforms.

Messrs. (1) H. Krishna Sastri, Krishnarajpete Taluk; C. Vasudeva Rao, Chikmagalur Taluk; Hoskoppa Krishna Rao, Koppa Taluk; Gangappa, Nagamangala Taluk and P. Venkappiah, Shimoga Taluk;

(2) S. Thontarya, Devanhalli Taluk, B. Ananthalakshminaranappa, Tumkur Taluk; B. Narasimiah, Sira Taluk; D. S. Mallappa, Tiptur Taluk; N. Siddalingadevaru, Seringapatam Taluk;

(3) H. Krishna Sastri, Krishnarajpete Taluk.

Summary of Representation.—(1) It is requested that the number of members of the Representative Assembly should remain as at present as every one of the Associations that presented addresses to the Dewan has prayed that their present privilege should be continued.

(2) In introducing the reforms under contemplation, the present House may be constituted as the first Assembly under the Reforms, the first elections being held only after the term of the present members has expired.

(3) All the proceedings of the Assembly should be conducted in Kannada. The Dewan's Address also should be in Kannada.